NCA
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BRAZIL AND WEST GERMANY

ANNCR:

BRAZILIAN PRESIDENT ERNESTO GEISEL'S CURRENT STATE VISIT TO WEST GERMANY HIGHLIGHTS THE CLOSE RELATIONS THAT HAVE DEVELOPED BETWEEN THE TWO COUNTRIES OVER THE YEARS. VOA'S CLAUDIO ESKENAZI HAS THIS BACKGROUND REPORT.

NARR:

SINCE BEFORE THE TURN OF THE CENTURY, GERMANS HAVE PLAYED A KEY ROLE IN BRAZIL'S ECONOMIC AND SOCIAL DEVELOPMENT. FOLLOWING AN EARLIER PATTERN IN NORTH AMERICA, A MAJOR WAVE OF GERMAN IMMIGRANTS SETTLED IN BRAZIL'S TEMPERATE AND FERTILE SOUTHERN REGION. THERE THEY SET UP PRODUCTIVE AGRICULTURAL UNITS AND GAVE MUCH OF THE INITIAL IMPETUS FOR BRAZIL'S EARLIER INDUSTRIAL DEVELOPMENT. BY THE 1920'S, SUCH WAS THE INFLUENCE OF THE GERMAN IMMIGRANTS IN SOUTHERN BRAZIL THAT TO MANY OF THEM PORTUGUESE WAS TAUGHT IN SCHOOL AS A SECOND LANGUAGE.

WORLD WAR TWO WAS TO CHANGE ALL THAT. AFTER ITS MERCHANT SHIPS WERE SUNK BY NAZI SUBMARINES OFF THE ATLANTIC COAST, BRAZIL DECLARED WAR ON GERMANY. AND IT WAS THE ONLY LATIN AMERICAN COUNTRY TO SEND ITS SOLDIERS TO FIGHT ALONGSIDE THE ALLIES IN THE ITALIAN CAMPAIGN. CONSEQUENTLY GERMAN TEACHING IN ELEMENTARY SCHOOLS WAS BANNED AND PRO-NAZI SENTIMENTS WERE SEVERELY CURTAILED AMONG THE GERMAN IMMIGRANTS.

BUT THE POST-WAR YEARS SAW A RENEWAL AND STRENGTHENING OF ECONOMIC TIES BETWEEN WEST GERMANY AND BRAZIL, WITH MAJOR GERMAN INVESTMENTS IN THE AUTOMOTIVE AND HEAVY INDUSTRIES. TODAY, WEST GERMANY IS THE LARGEST BUYER OF BRAZILIAN GOODS

AFTER THE UNITED STATES. IT IS ALSO BRAZIL'S SECOND LARGEST SOURCE OF FOREIGN CAPITAL.

(OPT) BRAZILIAN EXPORTS TO WEST GERMANY CONSIST MAINLY OF COFFEE AND IRON ORE, FOLLOWED BY SOYBEAN MEAL, CAR PARTS AND TEXTILES. IN RETURN, WEST GERMAN EXPORTS TO BRAZIL ARE BASED ON TRANSPORTATION AND MINING EQUIPMENT, ELECTRICAL GOODS AND PHARMACEUTICAL AND CHEMICAL PRODUCTS. (END OPT)

PRESIDENT GEISEL'S CURRENT TRIP TO WEST GERMANY IS FOCUSING PRIMARILY ON BILATERAL ECONOMIC ISSUES. BRAZIL IS ATTEMPTING TO GET THE BONN GOVERNMENT TO USE ITS INFLUENCE IN OPENING UP THE EUROPEAN COMMON MARKET TO BRAZILIAN MANUFACTURED GOODS. WEST GERMANY IS IN TURN INTERESTED IN DISCUSSING NEW INVESTMENT OPPORTUNITIES IN SMALL AND MEDIUM SIZED BUSINESSES.

BUT THE BACKBONE OF BRAZILIAN-WEST GERMAN ECONOMIC AND TECHNICAL COOPERATION IS A GERMAN AGREEMENT TO SUPPLY BRAZIL WITH A MAJOR NUCLEAR POWER NETWORK. THIS INCLUDES EIGHT ATOMIC GENERATING PLANTS, PLUS FACILITIES FOR REPROCESSING AND ENRICHING NUCLEAR FUEL. THE PROJECT REPRESENTS THE LARGEST SINGLE FOREIGN TRADE TRANSACTION IN WEST GERMAN HISTORY.

THE CARTER ADMINISTRATION HAS OBJECTED TO THE DEAL. IT FEELS THAT THE AGREEMENT WILL ENABLE BRAZIL TO OBTAIN THE NUCLEAR TECHNOLOGY WHICH COULD BE USED TO PRODUCE ATOMIC WEAPONS. BUT SO FAR, U.S. ATTEMPTS TO DELAY IMPLEMENTATION OF THE BRAZILIAN-WEST GERMAN NUCLEAR AGREEMENT HAVE FAILED TO ACHIEVE ANY SIGNIFICANT RESULTS.

JS/RCS